GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1137
ANSWERED ON:29.04.2016
Banking Facilities
Choudhary Col. (Retd) Sona Ram;Chowdhary Shri Pankaj;Maganti Shri Murali Mohan

Will the Minister of FINANCE be pleased to state:

(a) whether the banking facilities in the country are not adequate in the rural/hilly/border areas and if so, the reasons therefor;

(b) whether the Government has formulated any scheme for expansion of bank branches in the said areas and if so, the details thereof;

(c) the number of branches opened in the said areas during each of the last three years, bank and State/UT-wise; and
(d) the steps taken/being taken by the Government to ensure banking facilities to each household of the country?

Answer

The Minister of State in the Ministry of Finance

(a) to (c) To promote the objective of financial inclusion and to extend the banking network in unbanked areas, general permission has been granted by Reserve Bank of India (RBI) to domestic Scheduled Commercial Banks (other than Regional Rural Banks) to open branches (i) in Tier 2 to Tier 6 centres (with population upto 99,999) and (ii) in rural, semi-urban and urban centres of the North-Eastern States and Sikkim subject to reporting. RBI has advised banks that while preparing their Annual Branch Expansion Plan (ABEP), the banks should allocate at least 25 percent of the total number of branches proposed to be opened during a year in unbanked rural (Tier 5 and Tier 6) centres.

Position of number of branches of Scheduled Commercial Banks opened during the last three years State/UT-wise is given in Annexure.

(d) With a view to increase banking penetration and promoting financial inclusion and with the main objective of covering all households with at least one bank account per household across the country, a National Mission on Financial Inclusion named as Pradhan Mantri Jan Dhan Yojana (PMJDY) was launched on 28th August, 2014 at national level by Hon'ble Prime Minister. Under the Yojana 21.56 crore accounts have been opened till 13.04.2016.
******